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RECORDATION NO. 10406-
AUG 10 1979 - 9 15 AM

INTERSTATE COMMERCE COMMISSION

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RECORDATION NO. 10406-
AUG 10 1979 - 9 15 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Washington, D.C.

No. 9 222A010

Date AUG 10 1979
Fee \$ 30
RECORDATION NO. 10406-
AUG 10 1979 - 9 15 AM

ICC Washington, D.C.

INTERSTATE COMMERCE COMMISSION

Re: One Hundred Fifty 70-ton General Purpose Boxcars
(HOSC 250065-HOSC 250199, inclusive, and NSL 155567-
NSL 155581, inclusive) -- Interstate Commerce
Commission Recordation No. 10406

Gentlemen:

Enclosed herewith for filing under the above recorda-
tion number are the following documents and instruments in con-
nection with the permanent financing of the above-referenced
railroad rolling stock:

1. Participation Agreement, dated as of August 10, 1979, among National Railway Utilization Corporation ("NRUC") and Pickens Railroad Company ("Pickens") (collectively, the "Lessee"), Heleasco Eleven, Inc. ("Heleasco"), Provident National Bank, Agent (the "Agent"), and General American Life Insurance Company, Indianapolis Life Insurance Company and Continental American Life Insurance Company (collectively the "Lenders");
2. Amendment to Lease of Railroad Equipment, dated as of May 31, 1979, between Lessee and Heleasco, as lessor; and
3. Security Agreement, dated as of August 10, 1979, between Heleasco, as debtor, and Agent, as secured party.

The Lease of Railroad Equipment between Lessee and Heleasco relating to the above rolling stock and certain other documents were filed on June 1, 1979, under ICC Recordation Nos. 10406, 10406-A, 10406-B and 10406-C.

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MORGAN, LEWIS & BOCKIUS

Interstate Commerce Commission

August 9, 1979

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The railroad rolling stock covered by the foregoing agreements are 50', 6", 70-ton, plate "C" rigid underframe boxcars with 10' sliding doors, type XM.

The filing fee for the above transaction accompanies this letter of transmittal.

Kindly acknowledge your receipt of the enclosed documents and the filing fee by affixing your customary stamp to a copy of this letter and returning it to the undersigned.

Very truly yours,

A handwritten signature in dark ink, appearing to be 'JLM' or similar, written in a cursive style.

HLM:ks

Enclosures

AUG 10 1979 - 9 15 AM

SECURITY AGREEMENT

INTERSTATE COMMERCE COMMISSION

THIS SECURITY AGREEMENT made as of August 10, 1979 between HELEASCO ELEVEN, INC., a Delaware corporation, with its principal place of business at Suite 203, Springer Building, 3411 Silverside Road, Wilmington, Delaware 19810 (the "Debtor") and PROVIDENT NATIONAL BANK, a national banking association with an office at Chestnut and 17th Streets, Philadelphia, Pennsylvania 19101 (the "Agent").

To secure the payment of the Debtor's non-recourse promissory notes (the "Notes") of even date herewith, payable to the order of General American Life Insurance Company, Indianapolis Life Insurance Company and Continental American Life Insurance Company (the "Lenders") in the aggregate principal amount of \$4,180,596.00, together with interest thereon at the rate of 11.5% per annum from July 1, 1979, and any and all other promissory notes hereafter at any time issued in replacement or extension thereof by Debtor, and to secure Debtor's obligations hereunder and under a certain Participation Agreement dated the date hereof ("Participation Agreement") between Debtor, Lenders and the Lessee (as hereinafter defined), Debtor hereby assigns, transfers, mortgages and pledges to the Agent, for the benefit of Lenders, and grants to the Agent a security interest in the following and in all proceeds thereof ("Collateral"):

1. all of the Debtor's right, title and interest in the equipment lease dated as of May 31, 1979 (the "Lease") in which NATIONAL RAILWAY UTILIZATION CORPORATION and PICKENS RAILROAD COMPANY are, jointly and severally, lessees (collectively "Lessee") and Debtor is lessor and all rentals and other moneys payable thereunder, including all proceeds of insurance, condemnation and requisition proceedings and sales or other dispositions of the property subject thereto and all the Debtor's rights, power and remedies herein and thereunder (but none of its duties or obligations thereunder, if any), including without limitation all the Debtor's rights to receive and collect rentals and other moneys payable thereunder, to give and receive any notice, consent, waiver, demand or approval under or in respect of such Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of the property subject to the Lease, to execute and deliver any bill of sale for any such property, and to do all other things which the Debtor is entitled to do under such Lease;
2. subject to the interest therein and rights of the Lessee under the Lease, all the equipment

which may at any time be leased to the Lessee pursuant to the Lease (the "Equipment") and all the Debtor's right, title and interest in the Equipment and in all parts, fittings, accessories, accessions, substitutions and replacements therefor or thereof, and all contract rights, chattel paper, accounts, rentals, fees, income and proceeds arising from and in connection with the use of the Equipment; and

3. all of the Debtor's rights and interests (but none of its duties and obligations) in and under that certain Purchase Agreement Assignment relating to the Equipment dated as of May 31, 1979, by and between the Debtor and National Railway Utilization Corporation (the "Purchase Agreement Assignment").

Notwithstanding the foregoing, each Lender agrees that it shall have no security interest in that certain Income Tax Indemnification Agreement, dated as of May 31, 1979 by and between Debtor and Lessee or in any sums due thereunder.

Debtor has heretofore executed in favor of FIRST MARYLAND LEASE-CORP an assignment of lease ("Lease Assignment") dated as of May 31, 1979, a copy of which is attached as Exhibit B to the Participation Agreement, and, in furtherance of the foregoing rights herein granted, FIRST MARYLAND LEASECORP has executed in favor of the Agent a reassignment ("Lease Reassignment") of the rights under the Lease Assignment. The Debtor hereby irrevocably constitutes and appoints the Agent as its attorney-in-fact, with full power of substitution and revocation, in the name of the Debtor or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating to the Equipment or any Collateral (including any return of insurance premiums), to endorse and collect any checks, drafts or other instruments payable to the Debtor therefor, and to do and take all such other actions as are referred to above relating to the Lease, the Equipment or other Collateral, to file any claims or institute any proceeding for the foregoing which Agent deems necessary, and to compromise any such demand, claim or action.

So long as any amount remains owing on the Notes, without the Agent's prior written consent, the Debtor will not itself grant any consent or waiver under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder (except as permitted by the next paragraph hereof), or agree to any release of any obligation of the Lessee thereunder or to any amendment, modification or termination thereof. The Debtor hereby consents to and waives notice of the granting by the Agent as assignee and secured party hereunder of indulgences to Lessee or extensions of time for payment of any obligations of Lessee under the Lease, the

Agent's taking or releasing of any security for the obligations of the Lessee under the Lease, the Agent's acceptance of partial payments on the Lease or settlement, compromising or compounding of any obligations of any person, primarily or secondarily liable on or with respect to the Lease, all in such manner and at such time or times as the Agent may reasonably deem advisable.

The Agent hereby agrees with the Debtor that the Agent will not, so long as no Event of Default under the Lease or this Agreement has occurred and is continuing, without the prior written consent of the Debtor, seek to avail itself of or to enforce any rights, powers, privileges, authorizations or benefits under Sections 6 and 9 of the Lease to the extent they inure to the benefit of the Lessor. If the Agent does not seek to collect that portion of the payments which would otherwise be paid to the Debtor pursuant to Paragraph H hereof, Debtor shall have the right, only so long as no Event of Default or event which, after notice or lapse of time or both would become an Event of Default under the Lease or this Agreement has occurred and is continuing, to proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of such obligations or to recover damages for the breach thereof as provided in Section 10 of the Lease, but may not, without the prior written consent of the Agent, declare an Event of Default under or terminate the Lease, provided, however, that the exercise of Debtor's rights to enforce performance or to recover damages shall always be subject to the rights of the Agent under the Lease Assignment and Lease Reassignment, and under this Agreement. Notwithstanding the provisions of the Lease or this Agreement, should the Lessee default in the observance or performance of any obligations contained in Sections 6 or 9 of the Lease to the extent that the benefit thereof inures solely to the Debtor, and such default shall continue for 30 days after written notice thereof from the Debtor to the Lessee, the Debtor shall have the right (but only so long as no Event of Default or event which, after notice or lapse of time or both would become an Event of Default under the Lease or this Agreement shall have occurred and be continuing) to proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of such obligations or to recover damages for the breach thereof as provided in Section 10 of the Lease (which shall constitute collateral security for the payment and performance of the obligations of the Debtor under the Notes and under this Agreement and shall be applied as herein provided); but may not, without the prior written consent of the Agent, declare an Event of Default under or terminate the Lease. After the occurrence of an Event of Default, the Agent agrees to (i) permit the Debtor (at Debtor's expense) to enforce performance by the Lessee or to seek to recover damages from the Lessee for the breach of any obligations of the Lessee contained in Sections 6 or 9 of the Lease to the extent that the benefit thereof inures solely to the Debtor (but the Debtor shall not have the right to terminate the Lease without the prior written consent of the Agent) or (ii) enforce (at Debtor's expense) such performance by, or

seek to recover such damages from the Lessee; provided, however, that payments received pursuant to this sentence shall constitute collateral security for the payment and performance of the obligations of the Debtor under the Notes and this Agreement and shall be applied as herein provided. The rights of the Debtor contained in this paragraph shall not affect the rights of the Agent and the Lenders, before or after the occurrence of an Event of Default under the Lease or this Agreement, which arise under or with respect to Sections 6 or 9 of the Lease, and shall not be deemed to prohibit or limit in any way the right of the Agent to enforce any of the rights and remedies under Section 10 of the Lease.

A. REPRESENTATIONS, WARRANTIES AND AGREEMENTS - Debtor represents, warrants and agrees that:

1. there have been delivered to and accepted by the Lessee, pursuant to the Lease, units of Equipment having an aggregate Purchase Price (as defined in the Lease) equal to at least 142% of the original principal amount of the Notes. The Lease provides for the payment, on or before the installment payment dates of the Notes, of rentals in amounts at least equal to the amounts of such installments of principal and interest under the Notes. The original Lease has been delivered to Agent;
2. the Debtor has good and marketable title to the units of Equipment referred to in subparagraph 1 above, free and clear of all liens, claims and encumbrances, subject only to the interests therein of the Lessee under the Lease and the Agent hereunder;
3. the Lease executed by Debtor and the Lessee and delivered to Lender has annexed thereto schedules describing in detail sufficient to identify them, the units of Equipment referred to in subparagraph 1 above;
4. (a) it is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all the requisite power and authority to enter into the Lease, this Agreement, the Lease Assignment, the Consent and Acknowledgment, the Participation Agreement and the Notes, all of which have been duly authorized, executed and delivered by Debtor, and constitute the legal, valid and binding obligations of the Debtor, enforceable in accordance with their terms

except as limited by bankruptcy and other laws affecting creditors rights generally, and to consummate the transaction contemplated hereunder and thereunder; (b) the Debtor has not executed any other assignment of the Lease and its right to receive any payments under the Lease (other than the Lease Assignment), and its right, title and interest in and to the Equipment, the Lease and the other Collateral are, and will continue to be, free and clear of any and all liens, agreements or encumbrances (except this Agreement and the rights of the Lessee under the Lease) created or suffered by any act or omission on the part of the Debtor (other than any act or omission in respect of which the Lessee has assumed responsibility under the Lease); (c) the Debtor has received no advance rental or other payments under the Lease and it will not accept any payments under the Lease for its own account except as permitted in this Agreement; (d) Debtor has performed all obligations on its part to be performed under the Lease on or prior to the date hereof and will perform any such obligations during the terms of the Lease; and (e) to the knowledge of the Debtor, there has not occurred on the date hereof any Event of Default, or other event which after notice or lapse of time or both would become an Event of Default, under the Lease or this Agreement;

5. the making and performance by the Debtor of this Agreement, the Notes, the Lease, the Lease Assignment, the Participation Agreement and the borrowing and execution and delivery of the Notes will not violate any provision of law or of the charter documents or by-laws of Debtor, or constitute a default under or result in the creation of any lien, charge or encumbrance upon any property or assets of the Debtor pursuant to any agreement, indenture or other instrument to which the Debtor is a party or by which it may be bound;
6. there are no actions, suits or proceedings pending or, to the knowledge of the Debtor, threatened, against or affecting the Debtor or in any court or by or before any government department, agency or instrumentality in which any adverse decision might materially affect the ability of the Debtor to perform its obligations hereunder and under the Notes, this Agreement, the Lease and the Participation Agreement;

7. without Agent's prior written consent so long as any Note remains unpaid, Debtor will not grant any consent under the Lease, give any notice thereunder or otherwise exercise any rights, powers or remedies of the Lessor thereunder, or agree to any release of any obligation of the Lessee thereunder or to any modification or any termination thereof;
8. it is, and so long as any Note is outstanding will continue to be, a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware;
9. it has not engaged in business other than in respect to the acquisition, leasing and the financing of the Equipment contemplated by the Participation Agreement, and will not, without the consent of Agent which consent will not be unreasonably withheld, so long as any Note is outstanding, engage in any business except as contemplated thereunder and under the Lease and hereunder; and
10. it will provide Agent and the Lenders with a copy of each notice it receives from Lessee promptly upon the receipt thereof.

Except as expressly set forth herein and in Section 2(a) of the Participation Agreement, the Debtor has not made any representations or warranties to the Lenders with respect to the transactions contemplated hereby and none shall be implied.

B. DOCUMENTATION - the Debtor will execute and deliver to the Agent such documents identifying the equipment as Agent may from time to time reasonably request. In addition, the Debtor will execute, acknowledge, deliver, file and record all such documents, including financing statements, and take all such other action as may be necessary or as Agent may reasonably request, to perfect and continue perfected under applicable laws the security interests granted hereby as first lien security interests in the Collateral, and the Debtor hereby irrevocably constitutes and appoints Agent its attorney-in-fact for such purposes, with full power of substitution. The Debtor also will execute and deliver such instruments and take all such other action as the Agent may reasonably request to effectuate the purposes of this Agreement and to secure the rights and remedies conferred upon the Agent hereunder.

C. DEFAULT - Each of the following will constitute an event of default hereunder ("Event of Default"):

1. the failure by Debtor to pay any amount of principal of or interest on the Notes when due, whether at the maturity thereof or by reason of any requirement for the prepayment thereof, by acceleration or otherwise, and such failure shall continue for five days after the Agent shall have given the Debtor written notice thereof;
2. the failure by Debtor to pay any other amount when due hereunder or to observe or perform any other obligation required by this Agreement or the Lease Assignment or the Participation Agreement, and such failure shall continue for twenty (20) days after the Agent shall have given the Debtor written notice thereof;
3. the occurrence of an Event of Default under the Lease (as defined therein);
4. the adjudication of the Debtor as bankrupt or insolvent, or the entry of an order appointing a receiver or trustee for the Debtor or any of its property or approving a petition seeking reorganization, arrangement, composition, adjustment of the debts, liquidation or dissolution of the Debtor under the Bankruptcy Act or any similar law of the United States or any state or other competent jurisdiction, or the filing by the Debtor of a petition or answer seeking or consenting to any of the foregoing, or the filing of a petition against the Debtor seeking any of the foregoing which is not dismissed within sixty (60) days, or the making by the Debtor of a general assignment for the benefit of creditors; or
5. the occurrence of a breach of any of the Representations, Warranties and Agreements under Paragraph A hereof.

D. REMEDIES - At any time after the occurrence of an Event of Default and while the same remains uncured, the Agent may declare, by written notice to the Debtor, the entire unpaid balance of the principal of the Notes and interest accrued thereon to be immediately due and payable, and, in addition, the Agent shall have and may exercise all the rights and remedies of a secured party under the applicable Uniform Commercial Code or other applicable law, including the right, subject to prior rights, if any, of the Lessee under the Lease, to take possession of any

Equipment or other Collateral not then in the Agent's possession and to dispose of it, or the Debtor's interest therein, at public or private sale, at which the Lenders, subject to the provisions of applicable law, may be the purchaser.

Any notice of such sale required by law shall be deemed reasonably and sufficiently given to the Debtor if given at least 15 days prior to the date thereof at the address and in the manner herein provided for notices. The proceeds realized by the Agent on the exercise of any of its remedies shall be applied to the obligations secured by this Agreement in accordance with the provisions of Paragraph I and Debtor will be entitled to any surpluses thereafter. No delay or omission on the Agent's part to exercise any right hereunder will impair any such right or be construed as a waiver of any default or any acquiescence therein.

No waiver of any default hereunder will affect any later default or impair any of the Agent's rights hereunder. No single, partial or full exercise of any rights by the Agent will preclude further or other exercise thereof. The remedies provided for herein shall not be deemed exclusive, but are cumulative and in addition to all other remedies available under applicable law or in equity.

E. LIMITATION OF THE DEBTOR'S LIABILITY - Subject only to a breach by the Debtor of its representations, warranties and agreements under subparagraph 4 of Paragraph A (for which breach Debtor's liability shall not be subject to any of the limitations set forth in this Paragraph E.) and notwithstanding any other provision of this Agreement, the Participation Agreement or the Notes, it is understood and agreed that all payments to be made by the Debtor under or pursuant to this Agreement and the Notes (other than payments which Debtor voluntarily may choose to make to cure a Rental Default (as hereafter defined) pursuant to Paragraph H. hereof) will be made only from the "income and proceeds from the Equipment" (as defined in this Paragraph) and the Debtor's liability hereunder, under the Participation Agreement and under the Notes will be limited thereto. For recovery upon default by the Debtor in the payment or performance of any of its obligations hereunder and under the Notes, Agent will have recourse solely to the "income and proceeds from the Equipment" and not to any other property of the Debtor. The Agent will not proceed for the collection of any amount payable hereunder and under the Notes, against, or execute upon, any other assets of the Debtor. Any judgment entered in any action for recovery of any amount due hereunder and under the Notes against the Debtor will not be a lien against any other property of the Debtor, and the Agent agrees, at Debtor's expense, to execute and deliver all documents and take all such other action

as may be necessary to release of record from any such lien such other property of the Debtor. As used herein, the term "income and proceeds from the Equipment" means

1. if an Event of Default shall have occurred hereunder and while it shall be continuing or an event shall have occurred which with the lapse of time and/or notice provided for in the Lease or hereunder could constitute an Event of Default thereunder or hereunder and until such event shall either become an Event of Default or be cured or otherwise not be capable of maturing into an Event of Default, so much of the following amounts as are indefeasibly received by the Debtor under the Lease or by the Agent as assignee pursuant to the Lease Assignment and Lease Reassignment at any time after such occurrence and during the continuance thereof;
(a) all amounts paid under the Lease including, without limitation, rentals and late charges in respect thereof and amounts in respect of Casualty Occurrences (as defined in the Lease) paid pursuant to the Lease for or with respect to any Equipment,
(b) any and all payments or proceeds so received by the Debtor or the Agent as assignee as aforesaid or otherwise for or with respect to the Equipment as the result of the sale, lease or other disposition thereof, and (c) any and all sums received by Debtor or the Agent as assignee of Debtor under Section 10 of the Lease or pursuant to the Purchase Agreement Assignment; and
2. at any other time, only that portion or the amounts referred to in the foregoing clauses (1)(a), (1)(b), and with respect to amounts received pursuant to the Purchase Agreement Assignment, (1)(c) as are indefeasibly received by the Debtor or the Agent as assignee and as shall equal the portion of the unpaid principal balance of the Notes, accrued interest thereon and all other amounts payable by the Debtor hereunder (including prepayments in respect of Casualty Occurrences), which are then due and payable on the date such amounts were received by the Debtor or the Agent as assignee or were required to be paid to the Debtor pursuant to the Lease; it being understood that "income and proceeds from the Equipment" shall in no event include amounts referred to in the foregoing clauses (1)(a), (1)(b), and with respect to amounts received pursuant to the Purchase Agreement Assignment, (1)(c) which were received by the Debtor or the Agent as assignee when no such Event of Default or other event which with the lapse of time and/or notice provided for in the Lease or hereunder

could constitute an Event of Default thereunder or hereunder had occurred and was continuing and which exceeded the amount required to discharge the portion of the unpaid principal balance of the Notes, accrued interest thereon and all other amounts payable by the Debtor hereunder, including prepayments thereof required in respect of Casualty Occurrences, which are due and payable on the date when such amounts were received by the Debtor or the Agent as assignee or were required to be paid to the Debtor pursuant to the Lease.

Nothing herein contained shall limit, restrict, or impair Agent's right to accelerate payment of the Notes upon the occurrence of the Event of Default, to bring suit and obtain a judgment against the Debtor on the Notes or this Agreement for the full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto (provided that the liability of the Debtor on any such judgment and the satisfaction thereof shall be limited as hereinabove provided), or to exercise (subject to the rights of Lessee under the Lease) Agent's rights and remedies hereunder with respect to the Collateral, including the Equipment and the Lease (including the right to enforce Agent's rights, as assignee, under the Lease and to dispose of the Equipment and the Lease and to recover from the proceeds thereof the full amount of the unpaid principal of the Notes, interest thereon and all other amounts payable by the Debtor pursuant hereto).

F. PREPAYMENT OF NOTE - If any amount shall become due and payable to the Debtor or the Agent as assignee pursuant to Section 7 of the Lease because of a Casualty Occurrence (as defined in the Lease) with respect to any units of Equipment ("Casualty Value"), then, thereupon, an amount, computed as hereinafter set forth, will be due and payable on account of the principal of and interest accrued on the Notes on the date the Casualty Value is due and payable under the Lease. The Agent will accept all sums paid to it pursuant to Section 7 of the Lease with respect to Casualty Occurrences (as therein defined) of Equipment and, unless an Event of Default or event which, after notice or lapse of time or both, would become an Event of Default under this Agreement or under the Lease, shall have occurred and be continuing, (in which event all such amounts shall be held by the Agent to satisfy the obligations of the Debtor as provided in Paragraph I) shall apply those portions of such sums hereinafter stated for the account of the Debtor and, immediately following application of rentals to the payment of principal and interest accrued on such date, to the prepayment of principal on the Notes. The portion of such sums to be so

applied to prepayment of the principal of such Notes in respect of any Casualty Occurrence shall be that portion thereof as shall be equal to (i) 70% of the Purchase Price (as defined in the Lease) of the Equipment having suffered such Casualty Occurrence less (ii) the aggregate amount of payments of principal theretofore made on such Notes (including payments out of accrued rentals made on such date but excluding all prepayments in respect of Casualty Occurrences) in respect of an original principal amount equal to 70% of the Purchase Price of such Equipment, considering for this purpose that each payment of principal on the Notes was applicable to reduction of the financing for the Purchase Price of each unit of Equipment on a pro rata basis. The remainder of such sums shall be paid to the Debtor. In the event of any partial prepayment of the principal of the Notes pursuant to the preceding sentences of this Paragraph F, the amount of each installment payment thereon thereafter coming due will be reduced by an amount which bears the same proportion to the amount of such installment which would have been due in the absence of such prepayment as the amount of such principal prepayment bears to the unpaid principal balance outstanding immediately prior to such prepayment, and the Debtor shall promptly prepare and distribute to the holders of such Notes revised schedules of payments reflecting such reduction.

G. COLLECTION EXPENSE - In addition to all other amounts payable hereunder and under the Note, the Debtor will pay all of the Agent's reasonable expenses, including attorneys' fees, incurred from time to time in enforcing its rights and remedies hereunder, under the Notes or under the Lease. If Agent brings suit (or files any claim or petition in any bankruptcy, reorganization, insolvency or other proceeding) to enforce any of its rights (or other recovery or relief), Agent may recover in such action (or other proceeding), in addition to all other amounts payable hereunder and thereunder, its reasonable expenses in connection therewith, and the same shall be included in such judgment (or other form of award).

H. COLLECTION OF RENTALS - Agent will, on behalf of Debtor collect and receive from the Lessee all rentals and other money payable pursuant to the Lease, and the Agent, except as otherwise provided in this Agreement, may take all such action as may be necessary or desirable to demand, enforce, collect, receive and receipt for all such payments and otherwise enforce compliance by Lessee with all terms and provisions of the Lease. To the extent indefeasibly received, the Agent will apply such payments first, in the manner specified in Paragraph I hereof, and second, so long as no Event of Default or event which, with the lapse of time and/or notice provided for in the Lease or

hereunder could constitute an Event of Default thereunder or hereunder shall have occurred and be continuing, any balance shall be deemed to be held by the Agent in trust for the Debtor and shall be paid immediately to the Debtor, by bank wire to the Debtor at such bank as may be specified to the Agent in writing, and such balance shall be retained by the Debtor. All payments received by the Agent at such time as an Event of Default shall have occurred and be continuing which otherwise, in whole or in part, would be remitted to Debtor as aforesaid shall be retained by the Agent and applied to satisfy Debtor's obligations under the Notes and this Agreement. All payments received by the Agent at such time as there shall have occurred an event which with the lapse of time and/or notice provided for in the Lease or hereunder could constitute an Event of Default thereunder or hereunder which otherwise, in whole or in part, would be remitted to Debtor as aforesaid shall be retained by the Agent until such event shall either become an Event of Default (in which case such monies shall be applied as aforesaid), or be cured or otherwise not be capable of maturing into an Event of Default (in which case such monies shall be remitted to Debtor as aforesaid). The Debtor agrees that all payments received by the Debtor from the Lessee which are payable to the Agent pursuant to this Agreement shall be held in trust for the Agent and shall be immediately paid to the Lender.

If the Agent shall not receive any rental payment under the Lease when due ("Rental Default"), the Agent shall notify the Debtor at the address set forth in the Lease; provided, however, that the failure of the Agent so to notify the Debtor shall not affect the obligations of the Debtor hereunder or under the Notes. Agent agrees that notwithstanding the provisions of Paragraph C.3. hereof, the Agent will not exercise any of its rights or remedies under the Notes, this Agreement or the Lease (including, but not limited to acceleration of the payment due under the Notes and under the Lease) solely by reason of a Rental Default if (i) the Debtor shall have made all payments required by this Agreement and the Notes when due and there has occurred no Event of Default under this Agreement other than the default under Paragraph C.3. arising by reason of a Rental Default and (ii) a Rental Default has not occurred more than once during the preceding eighteen (18) months.

I. APPLICATION OF PAYMENTS - All payments indefeasibly received by the Agent which are to be applied in satisfaction of the Debtor's obligations under the Notes and this Agreement shall be applied, first, to the payment of costs and expenses due to the Agent pursuant to Paragraph G, if any, second, to the payment of accrued interest on the Notes, and thereafter to the payment of principal and all other amounts payable hereunder. Payments

indefeasibly received by the Agent in excess of the amounts necessary to satisfy Debtor's obligations as aforesaid shall be remitted to Debtor as provided in Paragraph H above.

J. EXCHANGE OF NOTES - Upon surrender of any Note at the office of the Debtor, the Debtor, at the request of any Lender, will execute and deliver new notes in exchange, in denominations requested by such Lender, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Such new notes shall be payable to such party as such Lender may request, shall be substantially in the form of the Notes, with appropriate changes, and shall be dated and bear interest from the date to which interest has been paid on the surrendered Note. When issued, such notes shall be deemed to be included in the term "Note" as used herein.

K. MULTIPLE NOTES - If more than one Note is outstanding at the time any application of payments is made pursuant to Paragraphs F and I hereof, the application shall be made on all outstanding Notes ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively.

L. NOTICES - All notices, declarations, requests, consents and other communications given hereunder or in connection herewith or with the Notes shall be in writing and shall be deemed to have been given when delivered or deposited in the United States mail, registered or certified, postage prepaid, addressed to Debtor at its address stated above, to the Agent at its address stated below, or to such other address as any such party may hereafter specify by written notice to the other.

M. OTHER AGREEMENTS - All references in this Agreement to obligations of Debtor pursuant to this Agreement or payments required to be made pursuant to this Agreement shall for all purposes include, regardless of whether expressly stated, any obligations of the Debtor for payments required by the Debtor pursuant to the Lease Assignment and Lease Reassignment or the Participation Agreement.

N. APPLICABLE LAW - This Agreement and the Notes shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Commonwealth of Pennsylvania; provided that the Agent and the Lenders shall be entitled to all rights conferred under applicable federal statute, rule or regulation.

O. SEVERABILITY - Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any

jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

P. SUCCESSORS AND ASSIGNS - This Agreement will bind and inure to the benefit of the respective successors and assigns of the parties hereto, including any holder, as such, of any Note, by acceptance of an assignment hereof or of any Note. Each of the Agent's successors or assigns (including any holder, as such, of any Note) will be deemed to have agreed to be bound by the provisions hereof and of the Notes and the Agent's undertakings hereunder and thereunder, especially including the provisions of Paragraph E, entitled "Limitation of the Debtor's Liability".

Q. HEADINGS - The headings in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement or any provision hereof.

EXECUTED as of the date first above written.

HELEASCO ELEVEN, INC.

(Corporate Seal)

Attest:

J. W. Turner
Title: Secretary

By:

P. A. Melholland
Title: Vice President

(Corporate Seal)

Attest:

Ann Kuee
Title: Assistant Secretary

PROVIDENT NATIONAL BANK, as Agent

By:

William E. ...
Title: Vice President

Address for notices, etc.:

17th and Chestnut Streets
Philadelphia, Pennsylvania 19101

Attn: Corporate Trust Department

STATE OF DELAWARE

SS:

COUNTY OF NEW CASTLE

On this 7th day of August, 1979, before me personally appeared Paul A. Mulholland, to me personally known, who, being by me duly sworn, says that he is Vice President of HELEASCO ELEVEN, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Cynthia M. Morse
Notary Public

My Commission Expires:

NOTARY PUBLIC

My commission expires April 28, 1980

COMMONWEALTH OF PENNSYLVANIA:

SS:

COUNTY OF PHILADELPHIA:

On this 9th day of August, 1979, before me personally appeared J. William Erb, to me personally known, who being by me duly sworn, says that he is Vice President of PROVIDENT NATIONAL BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marcia Shprintz
Notary Public

My Commission Expires:

MARCIA SHPRINTZ, NOTARY PUBLIC
Philadelphia, Philadelphia County, Pa.
My Commission Expires 9/19/81